

Praemium's FY14 revenue up 28%

27 August 2014, Melbourne: Praemium (ASX: PPS) has delivered its annual results for the financial year ending 30 June 2014. In summary, Praemium achieved:

- > Revenue increase of 28% to \$18.0 million;
- > Growth in SMA funds on platform of 42% to \$2.5 billion;
- > Underlying* EBITDA loss improvement of 56% to \$0.4 million; and
- > Net loss before tax of \$0.85 million, compared to \$0.35 million for the corresponding period.

Commenting on the full-year results, CEO Michael Ohanessian stated, "We are very pleased with the growth of the business achieved this year. We recorded significant fund growth on our global SMA platforms from a healthy pipeline of new financial advisors. We launched a new SuperSMA to target retail superannuation in Australia and established an in-house investment team in London, Smart Investment Management, to deliver a ready-to-use range of risk weighted model portfolios."

Mr Ohanessian added, "In addition to solid top-line growth, we are also pleased to report the Company's first year of positive operating cashflow. Throughout the year we continued to invest in the business with major projects in Australia associated with Self-Managed Superannuation Funds (SMSF) and retail superannuation, as well as global initiatives such as a new mobile interface designed for investors to see their portfolios on any device, at any time."

RESULTS SUMMARY	FY2014	FY2013	Change	Change
	\$000	\$000	\$000	%
Revenue	18,032	14,095	3,937	28%
Expenses	18,780	15,366	3,414	22%
EBIT (underlying)*	(748)	(1,271)	523	41%
EBITDA (underlying)*	(416)	(951)	535	56%
Net Profit / (Loss) before Tax	(848)	(353)	(495)	(140%)
Tax (expense) / benefit	(2,639)	4,712	(7,351)	(156%)
Net Profit / (Loss) after Tax	(3,487)	4,359	(7,846)	(180%)
Earnings per Share	(0.9)	1.2	(2.1)	(175%)
Cash	8,562	8,061	501	6%
Net Assets	13,998	15,912	(1,914)	(12%)
Operating Cashflow	306	(245)	551	225%

*Underlying earnings excludes non-recurring items (+\$0.3 million) and foreign exchange movements of currencies held on deposit (-\$0.4 million), as detailed on page 17 of the attached annual results presentation.



The group achieved revenue growth of 28%, with growth across all products and regions in which Praemium operates (Australia, UK and Asia). In particular revenue from Praemium's SMA investment platforms rose 64% from the prior year, with record fund inflows across the Australian and International platforms resulting in Funds on Platform rising by 42% to \$2.5 billion.

Underlying* EBITDA loss was \$0.4 million for the year, a 56% improvement on the prior year. Revenue growth was absorbed by cost investments across the business to position the Company for its next phase of growth. These cost investments are now largely completed, with the Company looking to maximise its scalable operating leverage in future periods.

The Company also recorded its first positive operating cashflow for the 12 months to 30 June 2014. Closing cash was \$8.56 million, 6% higher than the prior year, with positive operating cash flow achieved in 7 of the last 9 quarters.

Praemium's Australian business generated a 48% increase in segment profit and, as a result, incurred a liability to pay tax. The resultant tax liability has been offset by a reduction of \$2.7 million in the Deferred Tax Asset created in the previous financial year, and the reported Net Loss After Tax (NPAT) for the Company as a whole was \$3.5 million.

Additional financial information is provided in the attached Annual Report, Investor Presentation and Appendix 4E: Preliminary Final Report.

About Praemium: Praemium is a global leader in the provision of investment administration, Separately Managed Account (SMA) and financial planning technology platforms. Praemium administers in excess of 300,000 investor accounts covering approximately \$80 billion in funds globally, and currently provides services to approximately 700 financial institutions and intermediaries, including some of the world's largest financial institutions.

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